

**JUPITER MINES
LIMITED**

ABN 51 105 991 740

ASX Release

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Directors/Officers

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Matt Finkelstein

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Issued Capital:

Shares: 1,560,335,037

Deferred shares: 262,255,799

Unlisted Opts: 5,800,000

ASX Symbol: JMS

**Currently developing
mines:**

- Iron Ore
- Manganese

Jupiter initiates feasibility study on \$1.6B Mount Ida Magnetite Project

Jupiter Mines (ASX:JMS) is pleased to announce that it has commenced a Feasibility Study on its A\$1.6 billion Mount Ida Magnetite Project in the Central Yilgarn region of Western Australia.

Mount Ida is a key part of Jupiter's strategy to become a global supplier of raw materials to the steel industry. The strategy is already well advanced, with construction of Jupiter's 49.9 per cent owned Tshipi Manganese Project in South Africa commenced.

The Mount Ida Feasibility Study will be based on annual production of ten million tonnes of magnetite concentrate grading +68 per cent Fe. It is proposed that the concentrate will be transported along the existing railway from Menzies to the Port of Esperance on Western Australia's south coast.

A Scoping Study completed in March this year found that Mount Ida⁽¹⁾ would be a financially and technically robust project with a project NPV of A\$1.685 billion, forecast operating costs of A\$62.78 a tonne of concentrate FOB and an internal rate of return of 19.8 per cent.

SRK and other leading consultants have been appointed to undertake key elements of the Feasibility Study, with planning and scheduling already underway. RC and diamond drilling will start in July.

Installation of the 40-person camp is complete. This will accommodate Jupiter staff, contractors and consultants as required to complete the Feasibility Study.

Jupiter Chairman Brian Gilbertson said Mount Ida was emerging as a world class magnetite project.

"Mount Ida has a substantial resource, nearby rail and accessible port infrastructure, highly experienced project management and is ideally placed to supply major steel producers in Asia," Mr Gilbertson said.

"With the financial backing of the Pallinghurst Co-Investors, Jupiter is superbly placed to develop Mount Ida as part of its goal of becoming a major supplier of raw materials to the steel industry."

Mount Ida is the flagship of Jupiter's Central Yilgarn Iron Project, which also includes the Mount Mason Hematite Project. A Feasibility Study is also underway at Mount Mason⁽²⁾ based on DSO hematite production of 1.5Mtpa from a JORC resource of 5.75Mt at 59.9 per cent Fe. Capital costs are estimated at A\$65m-A\$75m with a one-year payback.

The start of the Feasibility Study at Mount Ida comes as Jupiter continues to make rapid progress in the development of its 49.9 per cent-owned Tshipi Manganese Project.

Tshipi is on track for first production in mid-2012, ramping up to 2.4Mtpa of DSO manganese. The total capital cost is estimated at A\$200 million, with minimal beneficiation needed to produce a highly saleable product. Project life is estimated at 60+ years.

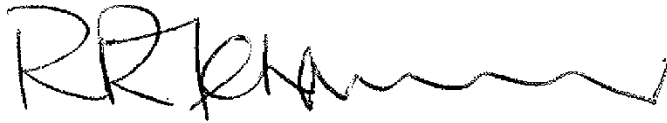
1. Mount Ida: Based on a 20 year mine life at 25 Mtpa producing 10 Mtpa of Magnetite Concentrate, a waste to ore strip ratio of 1.5 to 1, Inclusive of a Royalty of 5%, equity funding and ignoring taxation and Concentrate price of \$A110 per tonne.

Tshipi enjoys the benefit of having several existing infrastructure solutions, including port options, some of which are currently being upgraded.

“Tshipi and Mount Ida are the foundations of what we are confident will be a rapidly growing global mining house that will supply raw materials to steel makers around the world,” Mr Gilbertson said.

“Jupiter’s growth strategy reflects the fact that steel is at the heart of world economic growth. The Company has the expertise and financial strength to acquire and develop further world class assets which will enable it to capitalise on this growing demand for steel making materials, generating handsome returns for shareholders in the process.”

Yours faithfully
Jupiter Mines Limited

A handwritten signature in black ink, appearing to read 'RR Mehan', with a wavy line extending from the end.

Richard Mehan
Managing Director & CEO

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